The question that the Travancore Identification of Prisoners Bill be taken into consideration was then put and carried.

Clauses 1 to 9.

The question that clauses 1 to 9 do stand part of the Bill was then put and carried.

The clauses were added to the Bill.

Preamble and Title.

The question that the Preamble and the Title do stand part of the Bill was then put and carried.

Mr. Kayalam Paramesvaran Pillai: I beg to move that the Bill be passed.

Mr. M. Govinda Pillai: I second it.

The motion was carried.

THE TRAVANCORE CO-OPERATIVE SOCIETIES BILL.

Mr. Kayalam Paramesvaran Pillai: Sir, I beg to move that the Travancore Co-operative Societies Bill as passed by the Sri Mulam Assembly, be taken into consideration.

This Bill is not a stranger to the House. The House will remember that a committee was appointed to suggest measures for a more efficient working of the co-operative societies and to draft a Bill therefor. The report of the committee and the draft Bill submitted by them were fully discussed in this House. The present Bill is in substance the Bill recommended by the Committee, which it will be remembered was presided over by the late Mr. Devadhar. I may say however that one particular provision in the Bill framed by him, namely, that the Registrar should have power to suppress committees and appoint fresh committees, has been taken away or rather improved upon by the Assembly. The Bill as it now stands empowers the Registrar to appoint new committees but only from among the members of the society. I am referring to this because there was much criticism on this point in the Assembly and in this House. In the Bill as now passed in the Assembly, there is hardly anything objectionable. This is a Bill which has interested everybody and I do not want to take up the time of the House by explaining the various provisions of the Bill in detail.

Mr. M. Govinda Pillai: I second it.

Mr. N. Ramakrishna Pillai: Sir, I beg to oppose the motion. This Bill seems to have been framed on the model of the Bombay and the Madras Acts. In the case of Bombay, the changes were necessitated on account of the economic depression that existed six or seven years ago. That was the case also in Madras. When the report of the Devadhar Committee was submitted the conditions in this State also were similar. Probably it was due to the existence of those conditions that drastic changes were recommended. But now the depression has begun to change. Further, two All-Travancore Co-operative Conferences have been held, after the submission of the report, and the recommendations made by the

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. N. Ramakrishna Pillai.]

Devadhar Committee have been condemned ; and several important amendments have been suggested by those conferences.

Mr. M. Govinda Pillai: May I request the member to specify the conferences at which those suggestions were made ?

Mr. N. Ramakrishna Pillai: There was a conference held last year under the presidency of Mr. Ramadas Pantulu. This year also a conference was held recently. In those conferences, important resolutions were passed affecting materially the recommendations of the Devadhar Committee. My submission is that this Bill should be considered in the light of declared public opinion, and the fact that the depression has lifted and conditions have changed.

In the Bill as proposed by the committee and as adopted by the other House, we find several drastic changes. I wish particularly to refer to the powers conferred on the Registrar in regard to the supersession of societies and also in regard to audit and surcharge. These are drastic provisions. The Registrar is empowered to supersede the committee of a society altogether, and to appoint a nominee of his own to take up the management, without consulting anybody. I submit that there is no reason why a committee elected by a responsible body should be superseded altogether and a nominee of the Registrar should be put instead. Of course, there is a similar provision in the Madras Act to be applied in the case of banks. I submit that the present provision is an innovation unwarranted by the conditions in the country. Another drastic provision relates to surcharge. In regard to that also dictatorial powers are given to the Registrar to punish the members of the society for supposed misappropriation or malpractice. There is no parallel anywhere for such a position.

I submit that these two changes are quite unwarranted and opposed to the fundamental principles of co-operation. The Registrar is supposed to be the friend, philosopher and guide to the movement. Instead of being a friend and philosopher, this Bill makes him a dictator or tyrant. There is not even an advisory body whose opinion he need consult. There is no need for the Registrar even to give any ground for his interference with the internal working of a society.

I submit these are very drastic changes ; and they should be dropped from the Bill.

Another very important change that is made in the Bill is with regard to audit. In respect of that, in some cases, the society is made to pay for the audit that is conducted by the Registrar. It was a concession that the Government had granted to societies to conduct audits free of charge. Now, that position has been changed to some extent. Such change is opposed to the principles of the co-operative movement, and such provisions should not find

LIBRARY ARCHIVES Kerala Legislative Assembly

a place as such in the Bill. There is another point I wish to say in this connection. A very serious responsibility is cast upon the department in conducting the audit of the various societies under the charge of the department. Though vast powers are conferred upon the Registrar and upon his nominee, in conducting audit, we do not see any corresponding duty cast on them to conduct the audit in a *proper* manner. Of course, there are large powers conferred on the auditor. He can call upon any officer of the society and order him to produce documentary evidence, etc. A corresponding duty should be imposed on the auditor also, in order that the audit will be properly conducted. The auditor should be made responsible for any untrue statements made by him. He should be liable to be proceeded against for making incorrect statements in connection with audit. In the Bill before the House no such provision has been made for the above purpose. That is a very serious matter, and has to be taken into account in dealing with the question of audit and inspection. There is also the further fact that the Registrar is responsible for conducting audit and examination of accounts. These are two distinct functions, and therefore a distinction should be maintained with regard to audit and inspection. This point should not be lost sight of when considering the present Bill.

In framing a Bill of this character, there are other important matters to be taken into account. For instance, the Bill is silent about financing banks. It is the duty of the financing banks to finance the societies. There are also the taluk banks which require financial help. The financing banks are given the power to inspect taluk societies, and in certain cases they have to act as a consultative body. In this Bill, there is no mention of financing banks, or about their duties and responsibilities in the matter of consultation.

In regard to the amendment of bye-laws I have to make one observation. In the Bill, there is a provision enabling the Registrar to make amendments with regard to the bye-laws binding on a particular society. On the contrary, the society itself has no power to amend its own bye-laws. There are circulars and rules issued by the department for the guidance of societies. It is very necessary that a society should be given powers to amend its own bye-laws. I do not see why the Registrar's sanction should be obtained beforehand, to make suitable bye-laws for a society.

I also fail to see why an agricultural society should be compelled to be of the unlimited type. Members of an agricultural association who want to conform to the provisions of the Co-operative Regulation should not be compelled to form a society of an unlimited type. In country parts, the people may not be highly educated. It is possible they may not be aware of the societiy's

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. N. Ramakrishna Pillai.]

implications of unlimited liability. The way in which the societies are to be formed and the liabilities and responsibilities devolving upon the members of the society—these factors may not be known to them. If these people are compelled to start a society of an unlimited type, that will work serious hardship. Such a provision requires change. Further, this is not obtaining anywhere else. In the Mysore Regulation, there is no provision of this kind. The societies must be allowed to be of either the limited or the unlimited type. To put any manner of compulsion in the matter of the formation of a society is unwarranted and unjustifiable.

Provision for the formation of an Advisory Board, as has been recommended by the Devadhar Committee, is necessary for advising the Registrar for giving him information and for co-ordinating the work of the movement. There is absolutely no provision for that purpose.

Mr. M. Govinda Pillai: May I refer the member to Clause 47 of the Bill?

Mr. N. Ramakrishna Pillai: There is no provision in the Rules for the election of members for the Advisory Body. That is the point I am referring to. Any provision, for an Advisory Board, without the rules for the election of its members, is quite useless.

The Devadhar Committee makes pointed reference to the fact that the failure of the co-operative movement in this country is to a certain extent for want of education and training. No mention whatever is made either to help the education of co-operators, or of the sort of training that should be given to them. There is absolutely no reference to this aspect of the matter in the rules. The Devadhar Committee lays emphasis on the fact that unions are useful limbs to the co-operative movement, and that, for its success, there must be as many unions as possible. No mention of the duties and responsibilities of supervising unions is seen in the present Bill. These are definite draw-backs in the present Bill, and as such it requires a thorough revision.

This Bill has been drafted on the lines of the Madras and the Bombay Acts. Those acts were passed on account of conditions prevailing in the days of economic depression. Now the depression has left us. Conditions have changed. Persons who are competent to speak on the subject of co operation are also of the view that these provisions require a change. Under these circumstances my submission is that the Bill may be sent back for a re-consideration.

A Bill of this character requires very careful consideration of the provisions by this House itself, because of the fact that there

LIBRARY ARCHIVES Kerala Legislative Assembly

are about 2½ lakhs of co operators in this country, and also of the fact that there are a large number of co operative institutions actually working. This is not a light matter. This is a very serious matter to the public. Government should bestow sufficient attention on the matter on account of the fact that the movement is being worked by non-officials. If the movement is properly conducted, and the co-operators properly helped, it is bound to be of very great help to the large majority of the people. The main object of the Bill is not to officialise the movement This is non-official movement organised by voluntary associations to bring about better living, thrift and prospects in life. Seeing that this is a voluntary association of people, to introduce official element more than what is necessary, will certainly detoriorate the movement. Of course nobody objects to the granting of powers to the Registrar in respect of audit, inspection, registration, etc. It makes the Registrar an absolute dictator, and allows him to interfere in the internal management of societies without any reference to the fact whether the societies are primary societies, taluk banks or apex banks. There is absolutely no differentiation with regard to the class of societies. I submit that to make the Registrar a dictator and to enable him to interfere in the internal management of the societies, is certainly opposed to the opinions of co-operators throughout India. It is not conducive to the interests of the movement. No case has been made out to confer upon the Registrar so much of unlimited powers. With these words, I oppose the consideration of this Bill.

Mr. K. P. Nilakanta Pillai: Sir, I also beg to oppose the introduction of this Bill. When the Devadhar Committee's Report was placed before this House, we were obliged to raise very serious objections to the main recommendations of that committee in spite of the fact that we had great reverence for that person. On that occasion, I referred to a very significant fact that the late lamented Devadhar, while his hands were tied down by manifold activities outside Travancore could not, as the report itself shows, bestow as much attention on the report as he was expected to do. Recommendation after recommendation of that Committee was subjected to serious criticisms by myself and by many other members on this side of the House. It is again regrettable to note that none of those criticisms seems to have been taken notice of by the framers of this Bill. Whatever may be the character of similar Bills introduced in this House, this Bill relates to co-operative societies, and every one knows what co-operation is and what ought to be the principles of such a Bill, in the interests of the expansion and consolidation of co-operative ocieties in Travancore. The Committee was appointed to go

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai.]

into the question and find out how to further expand and consolidate the existing societies in Travancore on the one hand, and on the other to formulate methods for the better living of their members. With these main objects in view let us examine how far this Bill has answered those references. It is not at all an exaggeration to say that this Bill, from those points of view, is a complete failure. The Bill, I dare say, has not been carefully considered either by the Co operative Registrar or by the learned Law Member. When I come to the various amendments that I have tabled I hope to be able to show and convince the House that this Bill has been handled in a haphazard manner or rather that the responsibility in the matter has been divided between several officers so that no one could be completely responsible for this measure. Because I am a humble co-operator I should be very careful in passing severe criticisms like this. To begin with I will just quote what Mr. Ramadas Pantulu has said about this Bill, which was attached as a schedule to that Committee's Report. He said,

> "I am constrained to say that the draft of your Committee has given the go-by to many of the Progressive Principles and ideals of the India Act II of 1912."

Even though I happen to be a beginner in the co-operative movement, this statement, from such a tried and experienced man as Mr. Ramadas Pantulu, would show that the Bill bids good-bye to many of the recognised and fundamental principles of co-operation, principles which have been followed by the Indian Act, by the Bombay Act, by the Punjab Act and by the Irish Act. Mr. Ramakrishna Pillai was telling the House that this Bill more or less follows the Bombay Act. But I find that it follows neither the Bombay nor the Madras Act and, so far as the British Indian Act of 1912 is concerned, this Bill is very retrograde. I will be able to convince this House of that when we consider the various amendments. We can see that the best in the Madras and the Bombay Acts has been given up; and the only idea which seems to have been before the framers of this Bill was to make the Registrar of Co-operative Societies the centre of the whole scheme and forget altogether the primary societies. That should not have been the case. On the other hand, the primary societies should have been made the centre of this Bill and the Registrar only a helping hand. Instead of that, the primary societies are ignored; not only ignored but their very existence is jeoparidised. One of the main objects of the Devadhar Committee is to further expand the co-operative movement in the State. Mr. Ramakrishna Pillai has rightly said that by several provisions of the Bill hereafter the

LIBRARY ARCHIVES Kerala Legislative Assembly

very formation of agricultural co-operative societies is deliberately sought to be prevented Clause 4 (2) shows that, hereafter, if an agricultural primary society is formed that should be of an unlimited nature. That was not the object, as we understood it, when the proposition for the appointment of the Devadhar Committee was moved in this House. Then the main argument on the part of the Government was that, due to the sudden growth of the movement many mushroom societies had been formed, that, without proper administrative control, auditing and checking a lot of good, bad, and useless societies had crept up in the State, and that therefore we must consolidate the existing societies and create a better type of societies so that the co-operative movement might not be a failure. This was the line of argument then taken by the Government. But now we find that the Registrar is made a dictator and the responsibility for the whole success or failure of the movement is completely laid at his hands. Is the learned Registrar in a position to come forward and take the whole responsibility for the movement in the State whatever the conditions of the societies may be? Is he bold enough to do that? I am not afraid of his dictatorship. On the other hand, I welcome it provided the dictator will shoulder the responsibility undivided. He dare not to do it. The preamble says :—

> "For the formation of thrift, selfhelp and mutual aid among agriculturists and other persons with common economic needs so as to bring about better living, better business and better methods of production....."

I would challenge this House to show any rule contemplated under the Bill to achieve this object. Absolutely none. Therefore on that side this Bill is useless. Then, about facilitating the formation and working of the societies instead of facilitating and helping the expansion of the movement in the State, many of the provisions in the Bill tend to retard the growth of the co-operative movement. Therefore, so far as the preamble is concerned, it is useless. It does not satisfy either the one or the other of the objects of the Bill. Then what is the purpose of retaining the preamble in the Bill? There is absolutely none.

Coming to the doubtful nature of some of the provisions in this Bill, I made a remark that nobody seems to be responsibe so far as this Bill is concerned. I am bound to substantiate that remark. Nobody has carefully considered this Bill. That is my grievance. The whole thing is made a mess. There is that provision regarding reserve funds. If the main object of the Bill is to promote or ensure the safety of the agriculturists in the State, then I ask why the Bombay Act has been deviated from, and even Section 14 of the existing Regulation has been forgotten, and

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai.]

why the Madras Act has been followed on the pretext that we want to ensure the safety of the reserve fund of the co-operators of the State.

As a matter of fact this Bill helps to slowly melt away the reserve fund. At this stage I am expected to take the House to some of the important provisions of this Bill, so far as it affects the co-operators, and indirectly the agriculturists who are expected to form co-operative societies. I do not know why a co-operative society has come to a decision by a meeting of its general body, that the Registrar should question it and interfere in its decision? If the primary societies are to be considered as the pivot of the whole movement in the State, under what circumstance can the Registrar ask for dictatorial powers? If on a small question, which has been decided by the general body of a primary society in one way the Registrar is empowered to cancel that decision and have his own way, then can the movement be called a movement of the people. By this provision, the Registrar is empowered to interfere with the autonomus powers of the primary societies, as he likes. I think, Sir, it is a fundamental error to invest the Registrar with such powers. Sir, he can be given sufficient powers in the matter of auditing and accounting the finance of a society. But so far as the provisions of this Bill empower him to override the decisions of the general body of a primary society, Sir, that will cut at the very root of the fundamental principle of the co-operative movement. Under those circumstances, when the Registrar is given such powers, no respectable agriculturist will come forward to help the movement, to be always dictated to by the Registrar and his subordinates. Sir, the Registrar by his very position in the movement, is to be the friend, philosopher, and guide of the co operators. Such being the case, I do not understand why he asks for such powers to override the decisions of primary societies. Sir, by accepting the provision in clause 4 that, hereafter, the primary societies are to be unlimited in the matter of liability, I think no new society will be registered and all the existing ones will have to be liquidated. Sir, in this connection, we ought to take into account the economic factor. The economic depression has hit hard every agriculturist in the State and every one of them is accutely suffering. Without considering these points, the Registrar has brought forward a Bill which provides that hereafter every agriculturists' society should be unlimited in the matter of liability. Ordinarily the liability of a member of a primary society is limited to the extent of his share in that society. But the Registrar says that his liability should be

LIBRARY ARCHIVES Kerala Legislative Assembly

unlimited. That means that if a member takes a loan every other member should be individually and collectively responsible for that loan. That seems to be the idea of the Registrar. I cannot understand a principle which lays down that if an individual takes a loan, any other man should be responsible for that loan.

Mr. M. Govinda Pillai: May I invite the attention of the learned member to clause 4 proposed in the Bill which is in line with the Government of India Act of 1912.

Mr. K. P. Nilakanta Pillai: Sir, it is no argument to say that because an error has crept in the British Indian Act we must perpetrate it. I was observing that, even before, Rule 14 was not being followed by the Registrar. In spite of that clause in the Regulation, the Registrar is asking for power to refuse the registration of a society. Anyhow, these provisions are made, not with a view to exercise better control over the societies but to override the decisions of the general body of a society.

Mr. Kayalam Paramesvaran Pillai: Are there agriculturists' societies now?

Mr. K. P. Nilakanta Pillai: All the primary societies are practically agricultural. But I ask how are they financed? By whom? For what purpose? The answers to their questions will show that these societies are financed by the agriculturists but the loan transactions are of doubtful utility to the agriculturists. That is why these primary societies never thrive and often get ruined.

Mr. M. N. Paramesvaran Pillai: Then why should we think of legislating for them?

Mr. K. P. Nilakanta Pillai: The Regulation is mainly intended to benefit the agriculturists of the country by means of the co-operative movement. But, on account of the provisions of this Bill, hereafter no agricultural society will come forward for registration and the existing ones will have to be liquidated.

Mr. Kayalam Paramesvaran Pillai: May I know from the honourable member why he says that hereafter agricultural societies will not come up for registration?

Mr. K. P. Nilakanta Pillai: At present, many of the societies are registered as limited liability societies. But, by the provisions of the Bill no one will be willing to enrol himself as a member of an unlimited liability society. The clause is as follows:

> "The liability of a society of which the primary object is the creation of funds to be lent to its members, and of which the majority of the members are agriculturists and of which no member is a registered society shall be unlimited and the members of such a society shall, on its liquidation, be jointly and severally liable for and in respect of all its obligations."

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. K. Madhavan Pillai (*Trivandrum*): Does not the words "shall come" in the place of "may come" make a difference

Mr. K. P. Nilakanta Pillai: That is the only difference. Here it is obligatory to register all the societies as unlimited liability societies. Not only that, after the registration of the society, every member of the society who was a share holder before this Bill came into being, is made jointly, and severally liable to every transaction whether that transaction took place before or after the passing of this Bill. Can any one imagine a more drastc method to promote the co-operative movement in the land? As a man who is in touch with the agriculturists in the State, I am sure that, by this clause, the Registrar can liquidate or refuse registration to any primary society.

Another point which I want to stress is that the Bill has not been carefully considered I do not know whether the learned Law Member has bestowed as much attention on it as he is expected to do. There is no clarity of vision or clear understanding shown in the Bi l. Nothing is provided in the Bill as to what should be the rules and byelaws of a primary society or what should be the functions of a financing bank or Union in relation to the primary societies. The whole thing is made a mess and everything is in confusion in the Bill, For example, clauses 5, 6, 11 and 12 all these ought to have found their places not in the Regulation but in the bye-laws of the particular societies or unions concerned. These clauses only show that the Registrar is anxious to make himself the cynosure of the co-operative movement. The framers of the Bill wanted to create all sorts of confusion of issues with a view to give the Registrar as much powers as possible. The bye-laws to be framed by a society or by a financing bank have crept into this Bill to make it as bulky as possible.

Then again, there is confusion of ideas in the matter of arbitration as well as auditing and inspection of accounts. If the Bombay Act would show that auditing and inspection of account are distinct functions, I do not see why all these fuctions are mixed together in this Bill. I am at a loss to understand who would be responsible for these functions. If after auditing it is found that this was done in an irresponsibly negligent manner in the case of a primary society, the financing bank or the union has to suffer. In the case of the financing bank also, there is now nobody responsible to make a thorough or efficient audit of accounts. Sir, we are rather anxious about the finances of the Central Bank at Trivandrum. Though the Managing Committee consists of respectable non-official members the Registrar is given powers to audit and check the accounts, and moreover he may delegate those powers to one of his subordinates.

LIBRARY ARCHIVES Kerala Legislative Assembly

And more often than not these powers are delegated to a petty Co-operative Inspector who is deputed to audit and check the accounts of financing banks like the Central Bank at Trivandrum. This petty officer has got the power to summon persons or to proceed against the bank in accordance with the provisions of the Civil Procedure Code. Sir, I know the legal equipments of these Inspectors. It is true to say that respectable non-officials of considerable status and position are actually humiliated by the overriding powers of these Co-operative Inspectors. Sir, there is a lot to be said with regard to this matter. But, I am not going to take the time of the House now by enumerating all the defects of this Bill.

In this connection, I may also refer to the power of the Registrar in superseding societies arbitrarily. Therefore throughout in every provision in the Bill, every thing is made to tighten the control of the Registrar over the societies and thus to humiliate the societies and their office bearers instead of finding means for expanding the movement in the State through right channels. If the Bill comes into law, it will only retard the progress of the movement in Travancore and co-operation will be a failure here. We must also take into consideration why a committee has been appointed and why this Bill has been found necessary. As I said when I adverted to that topic at the very beginning of my speech, it is on account of the loose control that the department has been able to exercise over the existing societies in the matter of auditing and inspection and liquidation that the present this unhappy state of affair crept into the movement in Travancore. To remedy this evil the Registrar demanded more staff openly saying "With the existing staff, I am not able to carry on effective inspection and audit, or liquidation proceedings; I want more hands". This House readily gave him more hands. Now when he is given an army he wants to be given the powers of the commander. Sir, this is the way how every departmental head in Travancore seeks power. First of all the departmental head invents an excuse for his remission of work and says "I have not been able to do that because the staff is inadequate. What I can do with my limited staff I am doing the best I can. I want more hands for the work to be done efficiently. Then we are being previled upon to give him more hands. Now, the Registrar says, after getting more hands, that he wants more powers Sir, this is a special feature which can be seen only in Travancore. Here is the Registrar who says, "I have no power under the present Regulation. Give me more powers so that I can exercise effective control." This is the cry that comes forth from every departmental head in Travancore. Whether an officer has twelve or six subrodinates under him, provided he can get the proper type of efficient men, he *will* be able to control. Less power-

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai.]

more control—that is the secret of the co-operative movement. Without non-official co-operation the movement will not be a success. Therefore, I request the House to take all these aspects seriously into consideration before accepting this Bill.

The motion that the Bill be taken into consideration was put to the vote of the House and carried.

Clause 1.

Clause 1 was put to the House and carried.

Clause 2.

Mr. N. Ramakrishna Pillai: I beg to move that in Clause 2 add "(i) Financing bank' means a bank which lends money to a society on security or otherwise" after clause 2 (h). I make this motion for two reasons. There is no definition of a Financing Bank in the Bill.

Mr. M. N. Paramesvaran Pillai: May I know whether the term appears anywhere in this Bill?

Mr. N. Ramakrishna Pillai: That is why I have brought in this amendment. Primary and other societies should have the aid of a financing bank. Such banks have got the power to inspect the societies to which they lend money. There is such a provision in the correspondin : Acts of Madras and other places.

President: Is there any such provision made in any of the amendments than the honourable member intends to move?

Mr. N. Ramakrishna Pillai: No, Sir.

President: This is a definition clause. Unless the honourable member, in the course of his amendments, or in the course of the scheme for the alteration of the Bill, introduces the subject matter, the inclusion of this definition is not necessary. I think, therefore, that the amendment is not in order.

The amendment was ruled out.

President: The question is that clause 2 do stand part of the Bill.

The clause was added.

Clause 3.

Mr. K. P. Nilakanta Pillai: Sir, I move:

Add the following at the end of clause 3:—

"No one shall be eligible for appointment as Registrar unless he is a barrister-at-law or an enrolled advocate of the Travancore High Court having practice in the High Court of Travancore for a period not less than ten years or with service as judicial officer for not less than ten years".

LIBRARY ARCHIVES Kerala Legislative Assembly

In moving this amendment I may inform this House that I have borrowed the idea of this amendment from the existing English Act The Co-operative Regulation, as it is obtaining in England to-day, contains this provision.

Mr. M. Govinda Pillai: May I know whether there is a Co-operative Regulation in England?

Mr. K. P. Nilakanta Pillai: Yes, there is. The House can understand more or less from what I have been telling in the course of my speech that the task of audit, liquidation and inspection involves a lot of responsibility; and it very often requires the interpretation of the existing Regulation, the Rules that may be passed hereafter under the Regulation and the Rules and Bye-laws that may be adopted by primary societies.

Mr. M. N. Paramesvaran Pillai: Is it the member's opinion that legal qualification alone is sufficient for all these?

Mr. K. P. Nilakanta Pillai: Persons of the type that I have in view will get special training in co-operation. I do not wish that the legal qualification ought to be the minimum qualification. The present Registrar may be a very competent man. But he is not to remain there for ever He may retire and some other man may come in. The new officer may not possess as much training as the present Registrar.

Mr. S. Piraviperumal Pillai: Does the member fear that the Leather Expert may be appointed Registrar of Co-operative Societies?

Mr. K. P. Nilakanta Pillai: Such appointments were possible once. But now I do not think that will happen.

Sir, what I wish to emphasise is that at least the Registrar who is controlling the whole co-operative movement in the State must be a proper man. Mr. M. N. Paramesvaran Pillai doubts why I should insist upon legal qualification for the post of the Registrar. Sir, the post must be held by a man who has a broad vision. He should not be tied down by petty prejudices. He must be able to rise above all these petty things and look with a broad mind. Lawyers, compared with other people, have broad outlook.

Mr. E. P. Varghese: Where is the possibility of his getting training in co-operation?

Mr. K. P. Nilakanta Pillai Is the suggestion I make is adopted the honourable member will find dozens of men sailing away to different places to get the necessary training. There is absolutly no fear on that account. It would be better to accept my amendment in the interest of the movement in Travancore.

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. Kayalam Paramesvaran Pillai: Sir, I oppose the amendment. First of all, I would point out that the chief function of the Registrar is not quite one of interpreting law and statutory rules or application of them. Honourable members are quite aware that many departments of the State are Governed by or are working under statutes. The Income Tax Department for examble has to apply the rules under the Income Tax law and collect taxes. A lawyer is not considered for that reason to be necessary to preside over that department. Similar is the case with the Forest Department. The department is working under a statute, the Forest Regulation. He has to apply and interpret the Forest law. It does not follow from that that the Forest Department should be presided over by a lawyer. It is unnecessary to multiply instances. The Co-operative Department is not a legal department. It is a department concerned with and functioning to carry out a definite policy. It has to see that the movement goes on successfully. For this purpose, it must be guided by law no doubt. But the chief and more important function of the department is to see that the movement thrives and works properly. It may be that a lawayer may be able to govern the department, but it is wrong to assume that a lawyer alone is competent.

Mr. K. Madhavan Pillai: Does the member insist upon Barristers?

Mr. Kayalam Paramesvaran Pillai: I do not. Co-operative societies are not like joint stock companies. Joint stock companies are given existence by law, and thereafter they work under the law and Government do not step in to guide them.

Mr. K. Madhavan Pillai: May I know whether Friendly Sccieties are joint stock oompanies?

Mr. Kayalam Paramesvaran Pillai: Friendly Societies are not quite like co-operative societies. Here, the more important thing is not the giving of any corporate status, but to instil in the minds of the people the idea of co-operation to see that proper societies are registered and to see that they work properly. Here, the work is exactly the same as in the case of the Foret Department or of the income Tax Department.

Mr. K. Madhavan Pillai: Can the member deny that owing to wrong interpretation of law, great difficulties are caused in the working of the societies?

Mr. Kayalam Paramesvaran Pillai: Yes, I can. However that it is really so. There may be a wrong interpretation of law and the proper person to interpret law may be a lawyer. But the question now is whether a lawyer alone shall be the presiding officer and whether the lawyer is alone competent to work the policy of co-operation.

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. M. N. Paramesvaran Pillai: Is there any objection to have legal qualification in addition to the prescribed qualifications ?

Mr. Kayalam Paramesvaran Pillai: There is no objection at all. We want certain qualifications for the Registrar. If they are there.....

Mr. N. Ramakrishna Pillai: Does not the present Bill invest the Registrar with many important judicial functions ?

Mr. Kayalam Paramesvaran Pillai: It is a matter of opinion whether it is judicial or not. But in substance he is not quite a judge.

Mr. K. P. Nilakanta Pillai: May I know whether the decision, on arbitration, of the Registrar is final ?

Mr. Kayalam Paramesvaran Pillai: Yes, generally. There is however some provision allowing a revision of his decisions. What Mr. K. P. Nilakanta Pillai wants is that a lawyer and lawyer alone shall preside over the department. I object to that. Government will consider all the candidates and appoint the candidates best fitted for the place, lawyer or no lawyer.

The amendment was put to vote and lost.

The question that clause 3 do stand part of the Bill was then put to vote and carried.

The clause was added to the Bill.

Clause 4.

Mr. K. P. Nilakanta Pillai: Sir, I move that the proviso to clause 4 be deleted.

I made my point very clear when I was opposing the intrduction of the Bill. Clause 4 (*ii*) says that societies to be formed hereafter shall be unlimited and the liabilities joint and several. I have dealt with this point at length when I opposed the Bill. This clause is againat the fundamental principles of co operation. Knowing the conditions in Travancore and the needy nature of the people, this provision will be a red rag which will prevent every man from approaching these socities. If he was merely a share holder of a particular unlimited society and did not take any part in its transaction but kept aloof, at the time of the liquidation of the society he may be served with a notice to pay a certain sum of money. I ask honourable members, who seem to vacilate on several points, whether that is reasonable. If this provision is going to be retained, will the co-operative societies be of any use to agriculturists. Whatever may be the reasonableness of that provision, so far as joint stock companies are concerned, so far as co-operative societies are concerned, it is very bad. I do not know whether the

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[Mr. K. P. Nilakanta Pillai,]

framers of the Bill seriously thought of the consequences of this proviso. They could have plainly said "Hereafter, we shall not have any co-operative societies". That would have been better. Without understanding the legal quibbles and subtleties contained in this Bill the ordinary co-operators will go and take shares in these co-operative societies. And they will be made liable when a society happens to be liquidated. That is unjust and unreasonable. I appeal to the House to support the amendment.

Mr. M. Govindan: May I know whether the member objects to the first proviso also? His speech was confined to the second proviso.

Mr. K. P. Nilakanta Pillai: That is contemplated in the Clause itself. It is superfluous. That is the reason why I said that no discrimination has been made between the bye-laws and clauses which ought to find a place in the Regulation itself.

Mr. M. Govinda Pillai: Sir, I oppose the amendment. In doing so I must state that no novel principle has been introduced in clause 4 of the Bill. Clause 4 of the Bill merely reproduces the principle contained in the existing Regulation which is based on the Indian Act. If honourable members will concede that the principle of co-operation is each for all and all for each, every agricultural society must of necessity be based on unlimited liability.

Mr. K. P. Nilakanta Pillai: What is the number of unlimited societies in Travancore today?

Mr. M. Govinda Pillai: The majority of societies in Travancore are formed on the unlimited liability basis.

Mr. K. Madhavan Pillai: Does not the word 'shall' find place in the clause?

Mr. M. Govinda Pillai: It finds a place even in the existing Regulation. There is absolutely no change of principle involved in this proviso.

Mr. N. Ramakrishna Pillai: Which is the provision in the old Regulation?

Mr. M. Govinda Pillai: Section 4 of Regulation X of 1089.

Mr K. P. Nilakanta Pillai: The last proviso does not find a place in Section 4 of the existing Regulation.

Mr. M. Govinda Pillai: It is there.

Sir, there is a similar provision in the Mysore Act also. I may read for the information of the honourable members what the committee appointed recently to consider the working of the co-operative movement in Mysore has stated :

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"Unlimited liability is best adapted for small village societies which do not require much capital and in which membership is restricted to a small area.

That is the principle accepted everywhere. Much was said about the last proviso, namely, that shareholders of societies on liquidation shall be jointly and severally liable.

Mr. K. P. Nilakanta Pillai : There is the further proviso that when the question whether the liability of a society is limited or unlimited has been decided at the time of registration, the decision shall be final.

Mr. M. Govinda Pillai; That proviso does not introduce any novel principle. That is inserted only as a matter of caution.

I was just stating that the provision about the joint and several responsibility has been introduced to make the position clear. There is a doubt whether contributary liability will arise only after liquidation or before it also. The purpose of this proviso is to make the point clear. I therefore strongly object to the acceptance of the amendment moved before the House.

Mr. N. Ramakrishna Pillai: After hearing the Registrar, I think that there is no necessity for such a provision. The fact that there is a provision in the existing Regulation would be sufficient reason for continuing it in the Bill. But to say that the people should form only unlimited societies will be putting an obstruction in the way of forming societies. Apart from the fact that this provision has been borrowed from the Madras and other Acts, the Registrar has not been able to point out any reason for perpetuating the provision in the present Bill. The danger is that the majority of the people who form credit societies do not know their liabilities. If the people had been given any idea of the extent of their liabilities, then there would not have been any objection. When the members of the society have no facility for knowing their liabilities, I think it is very hard to retain the first proviso to clause 4. With these words, I heartily support the amendment moved by Mr. Nilakanta Pillai.

Mr. Kayalam Parameswaran Pillai: I too oppose this amendment. First of all, let me point out that, if it is only a question of creating a corporate body for the purpose of making profit, there is the law in regard to the constitution of joint stock companies under which any set of persons can form themselves as a corporate body with limited liability, and function. It should not be supposed that, because of the proviso, the liberty of the people to form a corporate institution for profit, is taken away. Only, when you want to become a corporate body for functioning under co-operative principles enjoying the attendant privileges, then, you

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. Kayalam Paramesvaran Pillai.]

must accept this proviso. For co-operative movement, the chief or the most important qualification is that there must be trust between each other, amongst those in the movement. If there is that trust, then what is the objection in making the liability of a co-operative society unlimited? Everybody must be aware of his liabilities, present and possible. Assuming that there is mutual trust, if you borrow money from other persons, or if you incur some such liabilities, what is the objection, I ask, in making the liability of the society unlimited?

Apart from that, there is another aspect. The society in this case is purely an agricultural one. It must be conceded, that in order that the society may develop it must be able to attract deposits and attract credit. To facilitate this, the liability should be of the unlimited type.

Mr. K. P. Nilakanta Pillai: May I know whether it is not possible for a member of the primary society to borrow money without the knowledge of others whose liability is limited?

Mr. Kayalam Paramesvaran Pillai: Such hypothetical difficulties must be met by the bye-laws of a society. There is also the control of the Registrar.

Mr. E. P. Varghese: May I ask whether the bye laws can make the liability of a society limited?

Mr. Kayalam Paramesvaran Pillai: By enacting proper bye-laws, it must be possible for the members of the society to borrow money only with the knowledge and consent of the others.

Now, Sir, if the society consists of agriculturists, and if in order that it may thrive and for that purpose wants to attract deposits, the liability of the members of the society should be unlimited. They may have to borrow money They may have to buy goods on credit. Anybody may be unwilling to trust the agriculturist society if the liability is 'limited'?

Mr. N. Ramakrishna Pillai: Why should an outsider trust the members of a particular society?

Mr. Kayalam Paramesvaran Pillai: If they want to borrow money or get goods on credit or attract deposits.

Particularly to see that the agriculturist's credit is not lowered, anywhere, it is very necessary to make the liability unlimited. If the liability is limited, nobody may place trust on such societies.

Mr. S. Piraviperumal Pillai: Especially after the passing of the Agriculturists' Relief Bill, is not the question of trust between one another doubtful?

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. Kayalam Paramesvaran Pillai: Yes ; credit has been lowered ; and if a society has to thrive, the liability should be unlimited. Then only a society can function properly. It has to attract deposits.

Mr. K. P. Nilakanta Pillai: If the liability is limited to the extent of the shares, cannot such a state of affairs call for more co-operation ?

Mr. Kayalam Paramesvaran Pillai: That is not the principle of co-operation. There must be trust between each other. Then only co-operative societies can prosper.

The amendment was put to vote and lost.

The question that clause 4 do stand part of the Bill was put to vote and carried.

The clause was added to the Bill.

Clause 5.

Mr. N. Ramakrishna Pillai: Sir, I move that clause 5 be deleted. There is absolutely no need to have a provision for changing the liability of a society. When the society is about to function, the nature of the liability should be settled first. Afterwards, that matter should not be open to question. Hence my amendment.

Mr. K. P. Nilakanta Pillai: Sir, I second the amendment. Now the tables are turned upon the Law Member. I have to meet the Law member with his own arguments advanced a little while ago. He stated that for the very principle of co-operation the primary society should be compelled to be of an unlimited type Now I ask, if that is the object with which clause 4 has been enacted, what is the purpose of clause 5. The point is that after a society has been registered as of unlimited type; the Registrar wants discretion to convert it into a limited type, or, if it is one of limited type, into an unlimited one.

Mr. M. N. Paramesvaran Pillai: Is the member aware that this clause has no relation to proviso in clause (4) ?

Mr. K. P. Nilakanta Pillai: That does not matter. That clause says that a society can be registered as either limited or unlimited. If a particular society is started with limited liability, why should it be made into an unlimited one or *vice versa* at a later stage ? If that be so, why should there be clause 4 ? Again, where is the necessity for a proviso giving the discretion to Registrar to convert an existing society of the limited type into one of the unlimited type, or *vice versa*. If the whole co operative movement is to rest upon the magic wand of a particular individual——

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. Kayalam Paramesvaran Pillai: Suppose, some time after the registration of a society as unlimited, the majority of its members cease to be agriculturists; and then they apply for change of liability from unlimited to limited. May I ask, should the Registrar be given power or not to sanction the change?

Mr. K. P. Nilakanta Pillai: Why, I ask? Is it for advancing the interests of the agriculturists? Is it for enforcing the principles of co-operation? The wire pullers may borrow money from a society of the limited type. Later on, when they have to repay and they find it difficult to repay, they may like to change the liability of the society.

Mr. Kayalam Paramesvaran Pillai: May I know, who will be affected?

Mr. K. P. Nilakanta Pillai: The society.

Mr. M. N. Paramesvaran Pillai: But the society cannot do so according to its whims and fancies.

Mr. K. P. Nilakanta Pillai: I am surprised to hear that from my colleague after his experience about the working of similar societies. We know, as a matter of fact, what will take place in a co-operative society. After all, the humble agriculturists who sit there as members may not understand many of the rules of societies. Most of them may not know the consequences of the rules. That is a thing which cannot be forgotten. Therefore, Sir, if a society is registered as one of unlimited liability and subsequently all the members agree to change the liability, why should the society be converted into a limited one? The Law Member observed very vehemently that it is opposed to the very principle of co-operation. When that is the case, why should a provision be inserted for changing the liability of a society at the middle of its working or sometime after it was started?

There is another aspect of the question. After all, the primary societies are concerned with this. Why should such a provision find a place in the Regulation? If the general body of a primary society decide to change its liability aspect, with a laudable desire to promote its prospects, why should the Registrar stand in its way? Whether they do it or not, why should the Registrar be given discretion in the matter to decide the issue? I cannot support such a state of affairs. Therefore, I support the amendment?

Mr. Kayalam Paramesvaran Pillai: I oppose the amendment. Mr. Nilakanta Pillai spoke about the turning of tables Apparently, Mr. Nilakanta Pillai did not understand the interruption of Mr. Paramesvaran Pillai, namely, that this amendment has no relation whatever to the proviso to clause 4. The

LIBRARY ARCHIVES Kerala Legislative Assembly

position that was contended for in the previous clause was that the liability of an agriculturists' society should be of unlimited type. In the next clause, certain other principles are laid down. The general principle of it is that it merely gives permission to a body to change the liability from unlimited to limited, or *vice versa*. This requires the sanction of the Registrar. Let us see what is provided by proviso ii to clause 5. It reads thus :

"Any member or creditor shall, notwithstanding any bye-law or contract to the contrary, have the option of withdrawing his shares, deposits or loans, as the case may be within three months of the service.....have been satisfied."

If anybody has got any objection, he can withdraw his deposit and share money from the society. That may be seen from sub-clause (2).

Mr. K. P. Nilakanta Pillai: May I know whether, even without an application to the Registrar, he can withdraw his money from the society ?

Mr. Kayalam Paramesvaran Pillai: That will depend on other circumstances.

Mr. K. P. Nilakanta Pillai: Therefore, does not the question of withdrawal depend upon his liability and obligation in society ?

Mr. Kayalam Paramesvaran Pillai: This provision merely gives permission to him for withdrawing. It is a very helpful provision to the society to function properly.

The amendment was put to vote and lost.

The question that clause 5 do form part of the Bill was put to vote and carried.

The clause was added to the Bill.

Clauses 6 to 11.

The question that clauses 6 to 11 do form part of the Bill was put to vote and carried.

The clauses were added to the Bill.

Clause 12.

Mr. N. Ramakrishna Pillai: Sir, I beg to move the following amendment :—Delete the words "may, if he thinks fit" in line 2 of the sub-clause (2) and substitute the word "shall" therefor. The clause as amended will read thus :

"If the Registrar is satisfied that any amendment of the bye-laws is not contrary to this Regulation or the rules he shall, register the amendment. In the case of refusal, an appeal shall lie to Our Government within two months from the date of the issue of the order of refusal."

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. N. Ramakrishna Pillai.]

When an amendment of the bye-laws is accepted by the general body, and when the Registrar is satisfied that it is not contrary to the provisions of the Regulation, I submit there is absolutely no reason why the Registrar should, refuse to sanction it.

Mr. M. N. Paramesvaran Pillai: May I know whether there is not a similar provision, giving discretion to the Registrar, under clause 10 of the Bill?

Mr. N. Ramakrishna Pillai: In clause 10, it is not an amendment to the bye-law that is contemplated. But, here the amendment that is sought to be made is in the bye-law, by the general body of the society, and when the Registrar is satisfied that it is not contrary to the provisions of the Regulation, there is no reason why he shall refuse to register such amendments. It is with this object that I want to change the words "if he thinks fit" into "shall". I move this amendment for the acceptance of the House.

Mr. K. P. Nilakanta Pillai: I second the amendment. When a similar wording is found in clause 10, what is the object of having it in clause 12 also? Evidently the member in charge does not understand the effect of having similar wordings in clauses 10 and 12. Under clause 10, he may refuse the registration. In either case, there is an end of it. But so far as clause 12 is concerned, primary societies are expected to have their own bye-laws changed in a general body meeting.

Mr. M. N. Paramesvaran Pillai: May I know from the member..... .....

Mr. K. P. Nilakanta Pillai: The learned member could have spoken in support of the present provision, I do not understand why he should be putting questions like this. I know he is a competent speaker.

Mr. M. N. Paramesvaran Pillai: The object of putting questions is to elicit information.

Mr. K. P. Nilakanta Pillai I very much doubt that.

My point is this. When a primary society thinks it fit to change the bye-laws of that society it should be given complete autonomy to do that. Why should the Registrar be given powers either to respect or to refuse the change of the bye-laws of that primary society? If the primary society and the office bearers, who are responsible for the working of the society, meet in a general body in a constitutional manner, and in a manner in accordance with the provisions of this Regulation and the particular statute controlling the primary societies, why should further powers be vested with the Registrar to refuse or accept those bye-laws? That

LIBRARY ARCHIVES Kerala Legislative Assembly

is the question. Why should the Registrar be made to shoulder responsibility even in regard to the minutest details regarding the working of the society ? He may be allowed to use more time to lead the movement instead of going into the details with regard to the working of individual societies. He may be given more time and leisure to lead the movement. Therefore, to advance the activities of the movement, I think these words should be removed. With these words, I snpport the amendment.

Mr. Kayalam Paramesvaran Pillai: I oppose this amendment. At the very outset, it may be pointed out that this provision is exactly as it is found in the existing Regulation which has been with us for the last quarter of a century. That apart, such a provision is very essential in a law which deals with co-operative societies. As I said, it has been with us for more than a quarter of a century. A co-operative society is not a joint stock company. If any society wants to become a corporate body, it is perfectly open to its members to take advantage of the Joint Stock Companies Regulation ; but if they want to follow co-operative principles and get the advantages of such societies, it is necessary that they should be controlled by somebody who is conversant with the working of co-operative societies. As was pointed out by Mr. Paramesvaran Pillai, the power to register the bye-laws is with the Registrar even from the very beginning. When the bye-laws are not workable and do not confer sufficient scope for the advancement of the objects of co-operative principles, and the bye-laws have to be amended, what is the objection to confer necessary powers on the Registrar ? It is very necessary in the interests of co-operative societies.

Mr. M. N. Paramesvaran Pillai: May I know why this discretion is given to the Registrar ?

Mr. Kayalam Paramesvaran Pillai: That is given as at the very outset. He has to consider whether the amendment to the bye-law would work well.

The amendment was put to vote and lost.

Mr. K. Madhavan Pillai: I demand a poll.

A poll was taken and the House divided as follows :

AYES—7.

1. Mr. M. Govindan	5. Mr. N. Ramakrishna Pilla
2. ,, K. Madhavan Pillai	6. ,, K. Padmanabha Panickar
3. ,, M. N. Narayana Menon	7. ,, P. Padmanabhan Tampi
4. ,, K. P. Nilakanta Pillai	

LIBRARY ARCHIVES Kerala Legislative Assembly

NOES—11.

1. Mr. V. S. Arumukham Pillai	6. Mr C. O. Madhavan
2. „ K. George	7. „ Kayalam Paramesvaran Pillai
3. „ M. Govinda Pillai	8. „ K Paramesvara Panickar
4. „ K.N. Kesavan Namputiripad	9. „ R. Pitchu Aiyangar
5. Rao Bahadur Rajyasevanirata Dr. N. Kunjan Pillai	10. Rao Bahadur A. Rengasvami Aiyar
	11. Mr. G. B. E. Truscott

NEUTRALS—3.

1. Mr. H. O. L. Marikar	3 Mr. M. N. Paramesvaran Pillai.
2. „ Syed M. Bava	

The amendment was declared lost, 7 voting for the amendment, 11 against and 3 remaining neutral.

The question that clause 12 do form part of the Bill was put to vote and carried.

The clause was added to the Bill.

Clause 13.

The question that clause 13 form part of the Bill was put to vote and carried.

The clause was added to the Bill.

Clause 14.

Mr. K. P. Nilakanta Pillai: Sir, I move that in clause 14 omit the word ' or ' at the end of sub clause (1) and the whole of sub clause (2).

After the amendment, clause (14) will read thus :—

"A special general meeting may be called at any time by a majority of the Committee and shall be called within one month on the requisition in writing of not less than one fifth of the members of the Society."

The object of moving this amendment is this. This provision interferes with the autonomy of the primary society. Of course, the members, if they feel that all is not well with the society, are entitled under this clause to call a meeting of the general body by one-fifth of the members making a requisition in writing to the Secretary or to any other office bearer of the society. And the Secretary or any other office bearer of the Society is bound to convene a meeting of the general body. Now, by sub-clause (2), even if the society finds that everything is right with it and even if the general body refuses to call together a meeting, the Registrar can say or order for a general body meeting to be held. For what purpose is this clause inserted, except to enhance the rub between the Registrar on the one hand and the Managing Committee on the other? If the Registrar compels the general body ; then naturally, such uncalled for interference in the autonomy of the society will be resented by the Managing Committee. The natural reaction will

LIBRARY ARCHIVES Kerala Legislative Assembly

be that the Registrar will be forced to cancel the registration of the society to save his prestige. Therefore, instead of keeping up smooth working between the head of the department on the one hand and the primary society on the other, this will create a tug of war between them. Further, this power enables the Registrar to order a general body meeting being convened even if one fifth of the members do not want it. We can more or less understand the effect of that. There will be unnecessary complications and heart burning.

Mr. M. N. Paramesvaran Pillai: May I know what harm will be done in so calling together a meeting?

Mr. K. P. Nilakanta Pillai: Nothing will be considered by the general body if it is convened by force by the Registrar. After all the Registrar can take the horse to water; he cannot compel the horse to drink. Suppose the managing committee refuses to convene the meeting in spite of the Registrar's orders, then the next step to be taken by the Registrar will be the liquidation of the society. Sir, I put the question: can this in any way advance the interest of the society or retard it?

Mr. M. N. Paramesvaran Pillai: If one-fifth of the members make a complaint that a society is mismanaged by the committee what is the remedy to safeguard the interests of the minority?

Mr. K P. Nilakanta Pillai: After all, my friend seems to think that the primary society works in the interest of one member. No; that is not the case. A primary society works in the interest of all the members of that society.

Mr. Kayalam Paramesvaran Pillai: I hope that it would not work in the interests of the managing committee at any rate.

Mr. K. P. Nilakanta Pillai: If even one-fifth of the members is not dissatisfied with the working of the managing committee why should the Registrar call together a general body meeting?

Mr. M. Govinda Pillai: May I inform the member that the Registrar has been exercising this authority for the past twenty years and more.

Mr. K. P. Nilakanta Pillai: That is no reason why he should not part with that pernicious authority now. Because a man has been exercising questionable powers for years, why he should be allowed to continue to possess it. This clause, if it is to remain a dead letter in the statute I have no objection. Then if the Registrar should never want to resort to that power, why should

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai]

that provision be included in the Bill? There was no necessity for that. If there is no necessity for this clause why should we have it. Sir, legislation is not for satisfying the vanity of an individual. If that power is not taken away it will create unnecessary bickerings between the members on the one hand and the head of the administration on the other. If one-fifth of the members do not want to convene a meeting, then the Registrar at the instance of a single individual, can call together a general body meeting. What is the result? Liquidation of the society. Though the power may seem to be innocent, it is very poisonous.

Mr. M. N. Paramesvaran Pillai: Suppose one-fifth of the members make a requisition to the managing committee to hold a general body; and even then the managing committee refuses to do so, then what is the remedy?

Mr. K. P. Nilakanta Pillai: Sir, I am not going to answer that now. What I say is that, in spite of the sentiments of the general body to the effect that there is no necessity to hold a general body why should a general body be compelled to hold a meeting? The result will be non-co-operation with the head of the Co-operative Department, and that will only hinder the working of the society and thus retard the progress of the movement. Then, the only course left to the Registrar is to cancel the society after liquidating it. Why should there be disunion in the society itself if proper control and friendly advice is given by the Registrar? Therefore, we must take all possible care to see that there may not be difference of opinion between the managing committee and the general body. By the provision of the Bill our aim must be further to help the working of the primary societies. But this clause gives some extraordinary powers to the Registrar only to interfere with the smooth working of primary societies. I have tried to present a small picture of the state of things that may follow. You are going to give the Registrar a power which he says he will not use. Then why should he be given that power? From a suggestion from the Registrar I understand that he has never resorted to these powers.

Mr. M. Govinda Pillai: I never said that that power has not been resorted to by me, but I said that I have had recourse to that power only on occasions only at the explicit request of the members.

Mr. K. P. Nilakanta Pillai: That all the more strengthens my argument. The existing condition is that one party of members sides with the Registrar and another party sides with the managing committee and a tug of war ensues. As a result of

LIBRARY ARCHIVES Kerala Legislative Assembly

such quarrels, a very large number of societies have been ruined. With these words I appeal to the House to accept my amendment.

Mr. M. N. Narayana Menon; I second it.

Mr. Kayalam Parameswaran Pillai: Sir, I rise to oppose this amendment. I wonder who will be the aggrieved party if power given to the Registrar by this clause is exercised. Whenever the Registrar calls together a general body meeting the meeting should be held. That is all that this clause requires. I appeal to the honourable members to ponder over this point for a moment and find out who the aggrieved party is when any such action is taken. The only party aggrieved by this clause is the committee of management who wants to purloin the assets of the society. I entirely agree with Mr. Nilakanta Pillai in saying that we can take the horse to the water but cannot make it drink. But my friend will not allow the horse even to be taken to the water. I only want it to be taken to the water, which perhaps a scheming secretary or other office-bearer, would not allow. Sir, I oppose this amendment.

The amendment was put to the vote of the House and lost.

The question that clause 14 do stand part of the Bill was then put to the vote of the House and carried.

The clause was added to the Bill.

The Council adjourned at 4·30 P. M.

P. PARAMESVARAN PILLAI,
Secretary to the Sri Chitra State Council.

LIBRARY ARCHIVES Kerala Legislative Assembly